

Texas Clean Fleet Program (TCFP)

A Texas Emissions Reduction Plan (TERP) Program





Workshop Agenda

- **TERP Overview**
- **TCFP Overview**
- **Request for Grant Applications (RFGA)**
- **Application Forms**
- **How to Calculate Emissions Reductions**
- **Questions and Answers**



What does TERP do?

- **Provides grants to reduce nitrogen oxides (NO_x) emissions from mobile sources**
- **Supports programs to encourage the use of alternative fuels for transportation in Texas**
- **Helps to keep the air in Texas clean**



Why Reduce NO_x Emissions?

Ground level ozone is created by chemical reactions of NO_x and volatile organic compounds (VOC) in the presence of sunlight.

NO_x + VOC + Sunlight = OZONE



Mobile Sources of NO_x





How Does TERP Reduce NO_x Emissions from Mobile Sources?

- Through the early retirement of heavy-duty vehicles and pieces of equipment, particularly those with large diesel engines
- By replacing older engines with newer models with more stringent federal emission standards for NO_x and other pollutants





TERP Grant Programs

Diesel Emissions Reduction Incentive (DERI) Program

Emissions Reduction Incentive Grants (ERIG) Program

Rebate Grants Programs

Third-Party Grants Program

Texas Clean Fleet Program (TCFP)

Texas Natural Gas Vehicle Grant Program (TNGVGP)

Seaport and Rail Yard (SPRY) Areas Emissions Reduction Program

Alternative Fueling Facilities Program (AFFP)

Texas Clean School Bus (TCSB) Program

New Technology Implementation Grant (NTIG) Program

Light-Duty Motor Vehicle Purchase or Lease Incentive (LDPLI) Program



Texas Clean Fleet Program

The Texas Clean Fleet Program (TCFP) provides financial incentives to replace older light-duty and heavy-duty diesel vehicles with new alternative fuel or hybrid vehicles.





Funding Available

Approximately
\$7.7 million available



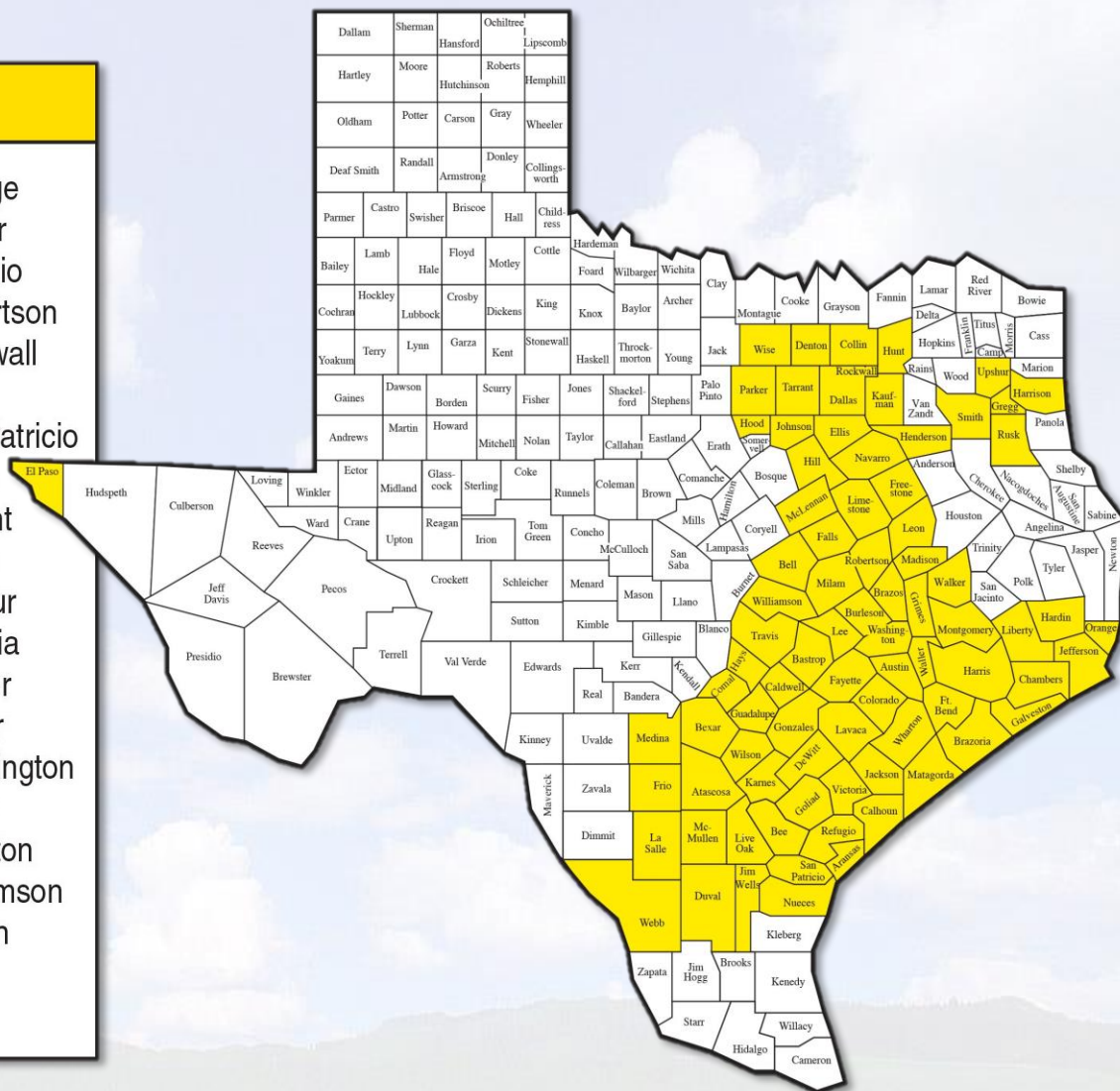


TCFP Eligible Areas

Clean Transportation Zone (CTZ)

Eligible Counties

| | | | |
|----------|-----------|------------|--------------|
| Aransas | Ellis | Jefferson | Orange |
| Atascosa | Falls | Jim Wells | Parker |
| Austin | Fayette | Johnson | Refugio |
| Bastrop | Fort Bend | Karnes | Robertson |
| Bee | Freestone | Kaufman | Rockwall |
| Bell | Frio | La Salle | Rusk |
| Bexar | Galveston | Lavaca | San Patricio |
| Brazoria | Goliad | Lee | Smith |
| Brazos | Gonzales | Leon | Tarrant |
| Burleson | Gregg | Liberty | Travis |
| Caldwell | Grimes | Limestone | Upshur |
| Calhoun | Guadalupe | Live Oak | Victoria |
| Chambers | Hardin | Madison | Walker |
| Collin | Harris | Matagorda | Waller |
| Colorado | Harrison | Medina | Washington |
| Comal | Hays | McLennan | Webb |
| Dallas | Henderson | McMullen | Wharton |
| Denton | Hill | Milam | Williamson |
| DeWitt | Hood | Montgomery | Wilson |
| Duval | Hunt | Navarro | Wise |
| El Paso | Jackson | Nueces | |





Eligible Applicants

- Eligible applicants include individuals, corporations, organizations, governments or governmental subdivisions or agencies, school districts, business trusts, partnerships, associations, or any other legal entity.
- Applicants must operate at least 75 vehicles in Texas.
- Applicants must commit to replacing at least 10 diesel-powered vehicles.



Vehicles Eligible for Replacement

Vehicles eligible for replacement include:

- **Heavy-Duty Diesel Vehicles.** A diesel vehicle with a gross vehicle weight rating (GVWR) greater than 8,500 pounds and containing an engine certified to the United States Environmental Protection Agency's (EPA) heavy-duty engine standards.
- **Light-Duty Diesel Vehicles.** A diesel vehicle with a GVWR of less than 10,000 pounds and certified to the EPA's light-duty vehicle emission standards.



Vehicles Eligible for Replacement

- For at least the two years immediately preceding the submission of the grant application, vehicles must have been:
 - owned, leased, or otherwise commercially financed by the applicant;
 - continually registered in Texas; and
 - operated in the State of Texas by the grant applicant.
- Vehicles must be in good operating condition with at least two years of remaining useful life.



Vehicles Eligible for Purchase

- The replacement vehicle must be new and powered by an alternative fuel or hybrid engine.
- The vehicle/engine must be certified under the U.S. Environmental Protection Agency certification programs.
- The engine on the vehicle being purchased must be certified to emit at least 25% less NO_x than the engine on the vehicle being replaced.



Eligible Alternative Fuels

Eligible alternative fuels include:

- electricity;
- compressed natural gas (CNG);
- liquefied natural gas (LNG);
- hydrogen;
- propane (LPG); or
- a mixture of fuels containing at least 85% methanol by volume (M85).



Other Vehicle/ Fuel Types

- **Bi-Fuel or Multi-Fuel Vehicles**
 - Vehicles with engines that can operate independently on either an alternative fuel or gasoline/diesel must commit to using the alternative fuel for at least 75% of the annual operation of the vehicle.
- **Hybrid Vehicle**
 - A hybrid vehicle is a motor vehicle with at least two different energy converters and two different energy storage systems on board the vehicle for the purpose of propelling the vehicle.



Eligible Grant Amounts

- The maximum eligible grant amount for the replacement of a heavy-duty or light-duty diesel vehicle is 80% of the ***incremental cost*** for the new vehicle.
- The ***incremental cost*** includes the total cost of the new vehicle minus a default scrap value of \$1,000 for heavy-duty vehicles, \$500 for light-duty vehicles, and minus any other financial incentives received toward the price of the new vehicle.



Purchase Dates

Applicants may not have completed the purchase of the new vehicle(s) prior to the opening of the grant application period.



Supporting Documentation

The following must be submitted with the application:

- signed project application forms;
- price quote (signed by the dealer) and price comparisons;
- vehicle title and proof of continuous registration over the previous two years;
- completed W-9 Form;
- copy of a state or federal identification card (if applying as an individual or sole proprietor);
- color photographs of the vehicles and engines to be replaced; and
- documentation supporting a request to waive ownership, registration, or use requirements.



Usage Commitment

- Applicants must commit to operate the grant-funded vehicles for at least 75% of the annual mileage in Texas.
- Applicants must also agree to operate the vehicles in designated eligible areas for a percentage of the annual mileage – 25%, 50%, or 75%.
- Exceptions exist for projects involving the transportation of raw agricultural products (see Appendix F of the Request for Grant Applications).



Grant Selection

Grants will be competitively awarded:

- The cost per ton of NO_x reduced in the eligible counties will be a primary selection factor.
- The emissions reduction calculations will use default mileage established by TCEQ and provided in the Request for Grant Applications.
- Applicants may request less than the maximum eligible grant amounts in order to lower the project cost per ton.



If Selected for a Grant

- **Contracting:**

- A contract will be sent to the applicant to sign and return.
- The TCEQ will sign the final contract and send it to the grantee.

- **Reimbursement:**

- Payments will be made on a reimbursement basis for eligible expenses incurred and paid by the grant recipient.
- Grant recipients may assign the grant payment to a dealer or financing entity.



Disposition of Old Equipment

Old vehicles and equipment must be destroyed.

- Disposition verification must occur no later than 90 days after payment from the TCEQ.
- A non-repairable title will be required for on-road vehicle disposition.
- Guidance for destroying the old vehicle and equipment is included in the RFGA.



Activity Life Commitment

- **Activity Life:**
 - Grant-funded vehicles must be used for the five-year or 400,000 mile activity life.
 - The percentage of annual mileage within the eligible counties will apply for the duration of the activity life.
- **Reporting Requirements:**
 - All grant recipients must track and report on the use and location of all grant-funded vehicles for the activity life.
 - Reports will be due annually.



Global Positioning System

- **Global Positioning Systems (GPS): OPTIONAL**
 - The costs to purchase and install a GPS unit to track and log the location and use of the equipment may be included in the incremental cost.
 - The applicant will be responsible for monthly operational and maintenance charges.
 - If the applicant uses the TCEQ-authorized service provider, the TCEQ may allow the vendor to provide the required usage reports.



Monitoring

- The grant recipient must submit usage reports once per year for the duration of the activity life.
- TCEQ will conduct on-site visits to view the equipment and ensure usage records are being maintained.
- Failure to report or failure to meet the usage commitments may result in the recipient having to return a share or all of the grant funds.



Use of Consultants

- **Consultants may be available to assist with the application process.**
 - The TCEQ has no relationship with these consultants and it is up to you if you want to use them.
 - Consultant fees may not be paid for from the grant, nor can the cost basis for determining the total costs include consultant fees, even if those fees are to be paid by the dealer.



Contacts



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